

# SENATE BILL NO. 1142

September 07, 2022, Introduced by Senators VANDERWALL and CHANG and referred to the Committee on Finance.

A bill to amend 1893 PA 206, entitled  
"The general property tax act,"  
(MCL 211.1 to 211.155) by adding section 7yy.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 7yy. (1) If a qualified claimant who owns residential  
2 improvements located on real property owned by a community land  
3 trust obtains approval of the credit provided for in section 518 of  
4 the income tax act of 1967, 1967 PA 281, MCL 206.518, and notice of  
5 that approval has been provided to the assessor of the local tax

1 collecting unit, as provided in section 518(4) of the income tax  
2 act of 1967, 1967 PA 281, MCL 206.518, the assessor shall determine  
3 the separate taxable value of the claimant's residential  
4 improvements and of the real property on which those residential  
5 improvements are located and the estimated amount of property taxes  
6 attributable to the claimant's residential improvements and to the  
7 real property on which those residential improvements are located,  
8 as provided in section 518(4) of the income tax act of 1967, 1967  
9 PA 281, MCL 206.518. If a qualified claimant elects to defer  
10 payment until this state remits the amount of the credit directly  
11 to the local tax collecting unit toward payment of property taxes  
12 levied on the claimant's residential improvements and the real  
13 property on which those residential improvements are located, as  
14 provided in section 518(8) of the income tax act of 1967, 1967 PA  
15 281, MCL 206.518, the claimant or a person acting on the claimant's  
16 behalf shall, in a form and manner prescribed by the department of  
17 treasury, file an affidavit with the local tax collecting unit that  
18 includes the name of the owner of the residential improvements, the  
19 address of the residential improvements, the name and address of  
20 the community land trust, and any further information that the  
21 department considers necessary.

22 (2) A local tax collecting unit that receives an affidavit  
23 filed under subsection (1) shall defer collecting any property  
24 taxes levied on the qualified claimant's residential improvements  
25 and the real property on which those residential improvements are  
26 located in the designated tax year until this state remits the  
27 amount of the credit for that year directly to the local tax  
28 collecting unit toward payment of those property taxes. This state  
29 shall make that payment by not later than December 15 of the

1 designated tax year. This state may require a local tax collecting  
2 unit to accept payment under this subsection through electronic  
3 funds transfer if the local tax collecting unit is able to accept  
4 payment in this manner.

5 (3) Except as otherwise provided in this subsection, property  
6 taxes deferred under subsection (2) are not subject to penalties or  
7 interest for the period of deferment. Any unpaid balance remaining  
8 after this state's payment described in subsection (2) is subject  
9 to collection from the qualified claimant under this act.

10 (4) Upon this state's payment of property taxes under  
11 subsection (2), the local tax collecting unit shall provide written  
12 notification to the qualified claimant of that payment, the amount  
13 of any unpaid balance due and payable under subsection (3), and the  
14 date by which that unpaid balance must be paid before it is subject  
15 to any penalties or interest under this act.

16 (5) As used in this section:

17 (a) "Community land trust" means that term as defined in  
18 section 504 of the income tax act of 1967, 1967 PA 281, MCL  
19 206.504.

20 (b) "Qualified claimant" and "residential improvements" mean  
21 those terms as defined in section 518 of the income tax act of  
22 1967, 1967 PA 281, MCL 206.518.

23 Enacting section 1. This amendatory act does not take effect  
24 unless Senate Bill No. 1141 of the 101st Legislature is enacted  
25 into law.